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CHINA: PEKING'S REACTION TO THE ONGOING MIDDLE EAST NEGOTIATIONS HAS BEEN LOW KEY.4

THE ONLY PUBLIC CHINESE COMMENTARY HAS BEEN A NEWS RELEASE
ON AUGUST 23 THAT SKETCHED IN THE BACKGROUND OF SECRETARY
KISSINGER'S LATEST EFFORTS BUT PROVIDED FEW DETAILS. THE
REPORT DEVOTED AS MUCH ATTENTION TO MOSCOW'S ATTEMPTS "TO
CONTINUE ITS EXPANSION IN THE MIDDLE EAST" AND M"SELL OUT"
THE ARABS AS IT DID TO THE CURRENT US MEDIATION EFFORT. THE
IMPLICATION THAT THE US HAS MAINTAINED THE INITIATIVE IN THE
MIDDLE EAST, "BRUSHING THE SOVIET UNION ASIDE," CAN BE VIEWED
AS AN OBLIQUE STAMP OF APPROVAL."

ALTHOUGH THE CHINESE HAVE FOR SOME TIME FAVORED A NEW INTERIM AGREEMENT IN THE MIDDLE EAST, BELIEVING THAT IT WOULD SUBSTANTIALLY UNDERMINE THE SOVIET POSITION IN THE REGION, THE OFFICIAL LINE FRC' PEKING IS LIKELY TO REMAIN CIRCUMSPECT. UNCERTAINTY OVER THE DEPTH OF MILITANT ARAB OPPOSITION TO A SECOND-STAGE SINAI DISENGAGEMENT WILL BE A MAJOR FACTOR. PEKING

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HAS WORKED HARD IN RECENT MONTHS TO IMPROVE RELATIONS WITH TRAQ

AND THE PALESTINIANS SO AS TO DILUTE SOVIET INFLUENCE. FOR

SIMILAR REASONS. CHINA HAS URGED CLOSER COOPERATION BETWEEN ARAB

RADICALS AND THOSE LESS STRIDENT.Y

FROM PEKING'S POINT OF VIEW, MORE VISIBLE SIGNS OF SUPPORT

FOR AN EGYPTIAN-ISRAELI AGREEMENT WOULD RUN THE RISK OF UNDER
CUTTING ITS EFFORT TO COURT THE ARAB MILITANTS AND OF SHARPENING

DIFFERENCES WITHIN ARAB RANKS.

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	1. PORTUGAL: PORTUGUESE ANTI-COMMUNISTS APPEAR UNSURE OF	
	THE NEXT MOVE AFTER THEIR INITIAL EXPRESSIONS OF OPPOSITION TO	
	THE APPOINTMENT OF VASCO GONCALVES AS ARMED FORCES CHIEF OF STAFF	
	AND HIS REPLACEMENT AS PRIME MINISTER BY ADMIRAL AZEVEDO.Y	
	SUPPORTERS OF THE ANTI-GONCALVES GROUP IN THE MILITARY	
	LED BY MELO ANTUNES REPORTEDLY ARE CONSIDERING 25X	1
5X	DELICAL ADDITANCE THE WADE THAT THEY CITE MICHT AUATR A MILTURDY	. !
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GENERAL CARVALHO HAS PLACED HIS INTERMAL SECURITY COMMAND UNDER THE DIRECT AUTHORITY OF THE PRESIDENT, REMOVING IT FROM ANY THREAT OF CONTROL BY GONCALVES. ACCORDING TO A LISBON PAPER, THE PRO-GONCALVES COMMANDER OF THE NORTHERN MILITARY REGION HAS BEEN CALLED BACK TO LISBON; NO REASON WAS GIVEN.Y

PORTUGUESE ARMY UNITS IN THE AZORES AND MADEIRA ISLANDS ALSO
HAVE DECLARED THEIR OPPOSITION TO THE GOVERNMENT CHANGES. THESE
MOVES MAY BE DIRECTLY TIED TO ANTUNES' EFFORTS, BUT IF THE SITUATION
CONTINUES UNRESOLVED, OR GONCALVES BEGINS TO ASSERT HIS CONTROL,
THE DISSATISFACTION OF THESE UNITS IN THE ATLANTIC ISLANDS COULD
BECOME SUPPORT FOR THE INDEPENDENCE MOVEMENTS THAT ARE NOW
OPERATING MORE OPENLY IN BOTH THE AZORES AND MADDEIRAS.

MONDAY, THE AIR FORCE CHIEF OF STAFF, WHO WE TO NOW HAS

NOT TAKEN A POSITION ON GONCALVES, SAID THE FORMER PRIME MINISTER

WOULD PROMOTE COMMUNIST INTERESTS IN HIS NEW POSITION. THE AIR FORCE

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CHIEF SAID HE APPROVED OF AZEVEDO AS THE NEW PRIME MINISTER, BUT
THAT THE QUESTION OF THE GOVERNMENT FADED BESIDE THE NEW CONTROVERSY
OVER GONCALVES.Y

DESPITE THESE GROWING SIGNS OF OPPOSITION TO GONCALVES'

APPOINTMENT AS ARMED FORCES CHIEF OF STAFF, THE PRO-COMMUNIST LEADER

RETAINS ENOUGH SUPPORT TO MAKE HIM DIFFICULT TO DISLODGE. THE NAVY,

WHERE ADMIRAL ROSA COUTINHO IS EXPECTED TO TAKE OVER THE CHIEF OF

STAFF POSITION VACATED BY ADMIRAL AZEVEDO, WOULD PROBABLY SUPPORT

GONCALVES IN ANY SHOWDOWN. GONCALVES ALSO RETAINS THE LOYALTY OF

SOME ARMY UNITS IN THE LISBON AREA AND PROBABLY IN THE SOUTHERN

MILITARY RECION AS WELL.4

PRESIDENT COSTA GOMES APPEARS TO HAVE CALCULATED THAT HIS
SHUFFLING OF THE TOP MILTIARY AND GOVERNMENTAL POSITIONS WOULD

DEFUSE THE POLITICAL CRISIS BY UNDERCUTTING THE ANTI-COMMUNIST
FACTION OF MELO ANTUNES. THIS GAMBLE WAS BASED, AT LEAST IN PART,
ON THE HOPE THAT THE SOCIALIST PARTY OF MARIO SOARES, WHICH FOCUSED

ITS CAMPAIGN ON THE REMOVAL OF GONCALVES AS PRIME MINISTER,
WOULD JOIN THE AZEVEDO GOVERNMENT.

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THIS PLAY FOR SOCIALIST SUPPORT REPORTEDLY WAS BAITED WITH THE OFFER OF A MAJORITY POSITION IN THE NEW GOVERNMENT. SOARES REPORTEDLY HAS TURNED DOWN THIS OFFER, BUT IF THE ANTUNES GROUP FAILS TO TAKE ANY RESOLUTE ACTION, SOARES MAY YET DECIDE TO MAKE THE BEST OF THE SITUATION.

MEANWHILE, THE COMMUNIST PARTY-WHICH MONDAY WITHDREW
FROM A FRONT ALIGNING IT WITH SEVEN FAR-LEFT PARTIES—HAS ANNOUNCED
ITS SUPPORT FOR THE CHANGE. VARIOUS SPOKESMEN, INCLUDING
GONCALVES, HAVE INDICATED THAT WHEN THE CABINET IS ANNOUNCED
THERE WILL BE ONLY A FEW CHANGES FROM THE GOVERNMENT THAT GONCALVES
HAD HEADED.

2. EAST GERMAN AND CZECHOSLOVAK MEDIA ASSAIL CHINA: TWO OF MOSCOW'S MOST LOYAL ALLIES HAVE LEVELED MAJOR PROPAGANDA BROADSIDES AT CHINA.Y

THE EAST GERMAN PARTY DAILY ON AUGUST 25 CARRIED A SCATHING ANTI-MAOIST ARTICLE THAT ASSERTED
THAT THE "REACTIONARY, AGGRESSIVE CIRCLES OF IMPERIALISM" HAVE THE MAOIST LEADERSHIP ON THEIR SIDE.

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PEKING WAS SOUNDLY CHASTIZED FOR ITS "MASSIVE AND VOCIFEROUSLY PROMOTED PREPARATIONS FOR WAR, OPEN ESTABLISHMENT OF BLOCS WITH THE REACTIONARY FORCES OF IMPERIALSIM AGAINST THE SOVIET UNION...AND INTENSIFICATION OF MAOIST GREAT-POWER CHAUVINISM."

PEKING WAS ALSO ACCUSED OF ATTEMPTING TO ES
TABLISH MADISM AS AN INTERNATIONAL CURRENT, TO WEAKEN

THE INTERNATIONAL SOLIDARITY OF THE PRO-MOSCOW PARTIES,

AND TO MAKE TERRITORIAL CLAIMS AGAINST THE USSR.Y

THE CZECHOŚLOVAKS GOT INTO THE ACT THE NEXT DAY,
WHEN BRATISLAVA PRAVDA CARRIED TWO ANTI-MAOIST ARTICLES. ONE CHARGED THE CHINESE LEADERSHIP WITH PLAYING AN "EXTRAORDINARILY HARMFUL ROLE" IN THE CURRENT
INTERNATIONAL SITUATION AND OF ALIGNING ITS FOREIGN
POLICY WITH "THE MOST REACTIONARY IMPERIALIST FORCES
AND STATES." THE SECOND CHARGED THAT CHINA DOES NOT
TAKE THE RESULTS OF CSCE SERIOUSLY AND ADVOCATES A
BUILDUP OF AMERICAN FORCES IN EUROPE.Y

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THESE ATTACKS, OBVIOUSLY INSPIRED BY MOSCOW, MAY

BE INTENDED TO START THE BALL ROLLING FOR A SHOW OF

SOLIDARITY AGAINS? CHINA AT THE PREPARATORY SESSION

FOR THE CONFERENCE OF EUROPEAN COMMUNIST PARTIES IN

EAST BERLIN NEXT MONTH. BRATISLAVA PRAVDA HINTED AS

MUCH, STATING "THE EUROPEAN COMMUNIST PARTIES ARE

ARDUOUSLY ANALYZING THE NEW ELEMENTS OF THE SITUATION, PARTICULARLY IN CONNECTION WITH THE PREPARATION

OF THE CONFERENCE OF EUROPEAN COMMUNIST PARTIES...."

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J: //PERU: IN HIS FIRST PUBLIC REMARKS SINCE ASSUMING THE PRESIDENCY ON AUGUST 29. GENERAL MORALES BERMUDEZ PUT EMPHASIS ON CONTINUING THE REVOLUTION BEGUN BY FORMER PRESIDENT VELASCO.//Y

//MORALES BERMUDEZ HAS NOT BELECTED HIS CABINET BUT IT IS

EXPECTED TO REFLECT THE NEW PRESIDENT'S PERSONAL CHARACTER-
GENERALLY MORE CAUTIOUS AND LESS PERSONALISTIC AND EXTREME THAN HIS

PREDECESSOR. ANY POLICY CHANGES PROBBBLY WILL BE IMPLEMENTED

GRADUALLY AND WITH MINIMUM PUBLICITY-//Y

//IN DOMESTIC AFFAIRS. MORALES BERMUDEZ PROBABLY WILL MOVE TO LOOSEN SOME OF THE MORE ONEROUS RESTRAINTS ON CIVIL LIBERTIES IMPOSED DURING VELASCOSS PRESIDENCY. THE APPOINTMENT OF A CIVILIAN TO THE CABINET—A MOVE MORALES BERMUDEZ APPARENTLY IS CONSIDERING—WOULD BE A CLEAR SIGN THAT THE PRESIDENT HAS SUCH A COURSE OF ACTION IN MIND.//Y

//ZOME OF THE COUNTRY'S TRADITIONAL. HON-HARXIST POLITICAL

PARTIES HAVE EXPRESSED PUBLICLY THEIR SATISFACTION WITH THE CHANGE

BM LEADERSHIP. DIRECTORS OF LIMA'S GOVERNMENT-CONTROLLED AND

SENERALLY LEPTIST NEWSPAPERS REPORTEDLY HAVE RESIGNED. SIGNALING THEIR UNCERTAINTY OVER THE DIRECTION OF THE REGIME.//Y  //FOREIGN REACTION TO HORALES BERNUDES' TAKE-OVER HAS BEEN OW-KEY. CUBAN PRESS ACCOUNTS REPLECT A WAIT-AND-SEE ATTITUDE. CHILEAN LEADERS REPORTEDLY VIEW THE TAKE-OVER WITH CAUTIOUS OPTIMISM BUT WILL WATCH EVENTS CLOSELY.//Y  //THERE HAS BEEN NO VIOLENCE REPORTED IN PERU POLLOWING THE CHANGE IN LEADERSMIP. IT IS UNLIKELY THAT ANY SERIOUS OPPOSITION TO 25X. BORALES BERNUDES WILL DEVELOP. ABTHOUGH SOME OF VELASCO'S SUPPORTERS HAVE BEEN KEEPING THEIR OWN COUNSEL SINCE THE TAKE-OVER.	7.66.5	ved i oi iteledee	2000/00/22 : 0	IA NOI 00100	000K0003000100	
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2-//ECUADOR: PRESIDENT RODRIGUEZ ON SEPTEMBER 1 HAD LITTLE
DIPPICULTY CRUSHING A COUP ATTEMPT LID BY ARMY CHIEF OF STAFF GENERAL
GONZALEZ ALVEAR-//Y

//THE REBELS WERE SUCCESSFUL INITIALLY IN SEIZING THE PRESIDENTIAL PALACE IN GUITO. BUT THEY WERE UNABLE TO SECURE THE SUPPORT
OF GOHER MILITARY UNITS AND WERE FORCED TO SURRENDER AFTER GUNBATTLES
IN WHICH SEVERAL DOWEN PERSONS WERE KILLED.//Y

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//ALTHOUGH THE SEPTEMBER & COBP ATTEMPT WAS THE FIRST AGAINST
THE FOUR-YEAR-OLD RODBIGUEZ REGIME, THERE HAVE BEEN SEVERAL
REPORTS THAT CONSERVATIVE POLITICAL AND BUSINESS GROUPS HAVE FIRST
PLOTTING AGAINST THE GOVERNMENT. IN A COMMUNIQUE ISSUED DURING THE
COOP ATTEMPT, REBEL OFFICERS ACCUSED RODRIGUEZ OF COMMITTING POLITICAL;
ECONOMIC, AND SOCIAL ERRORS, AND OF MISMANAGING THE COUNTRY'S OIL
RESOURCES. THE REBELS PROMISED TO HAND THE GOVERNMENT BACK TO

//THE GOVERNMENT HAD RESPONDED TO CONSERVATIVE CRITICISM
RECENTLY BY EXPANDING INCENTIVES FOR FOREIGN PETROLEUM EXPLORATION,
WHICH HAD VIRTUALLY CEASED AS A RESULT OF RESTRICTIVE NATIONALISTIC
REGULATIONS. RODBIGUES ALSO APPOINTED A PRAGMATIC, MIDDLE-OF-THEROAD DIRECTOR OF NATIONAL PLANNING, AND REPORTEDLY INTENDED TO REPLACE LEFTIST ECONOMISTS AND TECHNICIANS WHO HAVE BEEN INFLUENTIAL
IN SETTING ECONOMIC AND SOCIAL POLICIES.//Y

7/THE COUP ATTEMPT IN ECUADOR IS NOT RELATED TO HORALES BERMUDEZ!
TAKE-OVER IN STRU ON AUGUST 29.

25X6

IN EGYPT, GOVERNMENT SPOKESMEN ARE ATTEMPTING TO MINIMIZE

THE CONCESSIONS MADE BY CAIRO, AND TO PORTRAY THE AGREEMENT AS

PART OF A GENERAL MOVE TOWARD PROGRESS IN NEGOTIATIONS ON ALL.

FRONTS, INCLUDING THE RESTORATION OF THE RIGHTS OF THE PALESTINIANS.4

VICE PRESIDENT MUBARAK, IN A WEEKEND SPEETH, EMPHASIZED THE AREAS IN WHICH EGYPT HAS NOT MADE CONCESSIONS AND CHARGED THAT THOSE WHO ALLEGE EGYPT HAS GIVEN UP ANYTHING SIGNIFICANT ARE ONLY "TRYING TO SOW DISSENSION." HE ASSERTED THAT EGYPT IS TAKING STEPS TOWARD PEACE, BUT WILL AGAIN RESORT TO FORCE IF ISRAEL "OVERDOES ITS PROCRASTINATION AND MANEUVERS.""

PRESIDENT SADAT, ACCORDING TO THE CAIRO PRESS, WILL SOON

ADDRESS A JOINT SESSION OF EGYPT'S POLITICAL PARTY AND PARLIAMENT.

ON THE NEW AGREEMENT.4

THE SYRIAN PRESS OVER THE WEEKEND STEPPED UP ITS CRITICISM OF THE ACCORD. ON SATURDAY, THE SEMIOFFICIAL NEWSPAPER

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AL-THAWRAH BOATTACKED THE AGREEMENT AS A "PARTIAL SETTLEMENT"
THAT SERVES ONLY ISRAELI AMBITIONS AND AMERICAN INTERESTS." THE
PAPER CHARGE! THAT TEL AVIV WOULD SIGN ONLY TO UNDERMINE THE
ARAB CAMPAIGN TO EXPEL ISRAEL FROM THE UN AND TO SOLIDIFY ITS HOLD
ON THE ARAB TERRITORY THAT IT WILL CONTINUE TO OCCUPY.4

DAMASCUS RADIO ASSERTED THAT THE AGREEMENT WILL NOT LEAD TO GENUINE PEACE, BUT TO GREATER ISRAELI INTRANSIGENCE. SYRIAN FOREIGN MINISTER KHADDAM HAD MADE THE SAME POINT TO NEWSMEN LAST WEEK AT THE NONALIGNED CONFERENCE IN LIMA, CHARGING THAT THE AGREEMENT COULD ULTIMATELY PROVE TO BE A STEP TOWARD WAR RATHER THAN A STEP TOWARD PEACE.Y

THESE CRITICAL COMMENTS HAVE FOCUSED ON ISRAEL AND—TO A LESSER EXTENT—THE US. EGYPT. EXCEPT BY IMPLICATION. HAS BEEN SPARED.

THIS ALMOST CERTAINLY REFLECTS PRESIDENT ASAD'S DESIRE TO AVOID DISRUPTING HIS RELATIONS WITH CAIRO AND AT LEAST MINIMAL CONFIDENCE THAT IT WILL PROVE POSSIBLE TO ARRANGE FOR A NEW ROUND OF NEGOTIATIONS BETWEEN SYRIA AND ISRAEL.4

THE FACT THAT SYRIA'S ATTACKS ON THE AGREEMENT DO NOT MATCH DATE:
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LEADERS OF THE PALESTINE LIBERATION ORGANIZATION HAVE
INTENSIFIED THEIR CRITICISM OF THE ACCORD. THEY ARE CHAGRINED
AT THEIR OWN INABILITY TO MAKE GAINS OR EVEN BECOME INVOLVED IN
NEGOTIATIONS, AND ARE MOVING TO PROTECT THEMSELWES AGAINST ATTACKS
BY THEIR RADICAL COLLEAGUES, WHO NOW HAVE ADDITIONAL EVIDENCE
TO SUPPORT THEIR ARGUMENT THAT EGYPT IS PURSUING ITS OWN ENDS
AT THE EXPENSE OF THE PALESTINIANS.4

PLO CHAIRMAN YASIR ARAFAT ON SATURDAY CHARGED THAT THE "AMERICAN SOLUTION CANNOT AND WILL NOT SUCCEED." IN INTERVIEWS WITH NEWSMEN, HE PROMISED TO REGAIN PALESTINIAN LANDS THROUGH FORCE, THREATENED THAT THE PALESTINIANS WILL ATTACK ISRAELI INTERESTS "ANYWHERE IN THE WORLD," CALLED FOR AN ARAB SUMMIT TO

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DEVISE A STRATEGY FOR COUNTERING THE NEW "AMERICAN INITIATIVE" AND ASSERTED THAT THE PLO WILL PERSEVERE IN ITS CAMPAIGN TO EXPEL ISRAEL FROM THE UN.Y

ALTHOUGH FEDAYEEN FROM LEBANON HAVE STEPPED UP THEIR

CROSS-BORDER ATTACKS ON ISRAEL—THERE WERE TWO THIS WEEKEND—MOST OF WHAT ARAFAT SAID WAS DESIGNED ONLY FOR INTERNAL FEDAYEEN CONSUMPTION. HE WITHHELD HIS STRONGEST CRITICISM UNTIL THE AGREEMENT WAS VIRTUALLY COMPLETE AND AVOIDED DIRECT ATTACKS ON EGYPT. ARAFAT PAID A QUICK VISIT TO SAUDI ARABIA LATE LAST WEEK, PRESUMABLY TO SOLICIT SAUDI HELP IN PRESSING SECRETARY KISSINGER TO INCLUDE THE PALESTINIANS IN FUTURE NEGOTIATIONS.

25X1

ARAB STATES-ROMANIA: THE ARAB BOYCOTT TRGANIZATION,

MEETING IN CAIRO, ANNOUNCED ON THURSDAY THAT IT HAS ADDED ROMANIA'S

CIVIL AIRLINE, TAROM, TO ITS BLACKLIST OF FIRMS THAT OPERATE IN

ISRAEL. EARLY LAST YEAR THE ARABS THREATENED TO BLACKLIST ROMANIA

BECAUSE OF ITS DIPLOMATIC DITIES WITH ISRAEL, BUT BACKED OFF AFTER

PRESIDENT CEAUSESCU INTERCEDED PERSONALLY TO FORESTALL THE MOVE.Y

THE ANNOUNCEMENT ON THURSDAY GAVE NO REASON FOR THE DECISION.

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IN GAINING MOST-FAVORED-NATION STATUS WITH THE US RECENTLY.

BUCHAREST SIMULTANEOUSLY INCREASED THE NUMBER OF ROMANIAN JEWS

ALLOWED TO EMIGRATE. TAROM HAS OPERATED FLIGHTS INTO ISRAEL

SINCE 1968, AND PRESUMABLY WOULD BE A MAJOR CARRIER OF EMIGRANTS.

TO ISBRAEL.Y

MOREOVER, THE BOYCOTT ORGANIZATION HAS APPARENTLY EASED ITS

CRITERIA FOR IMPOSING THE BOYCOTT ON OTHER BUSINESSES, REQUIRING

ONLY THAT A FIRM ESTABLISH IN AN ARAB COUNTRY AN ENTERPRISE

SIMILAR TO ITS OPERATION IN ISRAEL. HERETOFORE, ANY BUSINESS

THAT OPERATED IN ISRAEL HAS BEEN SUBJECT TO BLACKLISTING. INDIVIDUAL

ARAB COUNTRIES HAVE ALWAYS FOUND A WAY TO CIRCUMVENT EVEN THIS

RESTRICTION IF THIS SERVED THEIR INTERESTS. 4

THE BAN ON TAROM IS AN EMBARRASSMENT TO PRESIDENT CEAUSESCU, WHOSE REGIME HAS SOUGHT TO MAINTAIN A BALANCE BETWEEN THE TWO SIDES IN THE MIDDLE EAST DISPUTE. BUCHAREST CAN NOW BE EXPECTED TO GO OUT OF ITS WAY TO DEMONSTRATE ITS GOOD INTENTIONS TOWARD THE ARABS AND REINFORCE ITS "IMPARTIALITY" IN THE DISPUTE. BUT IT IS UNLIKELY THAT THE ARAB ACTION WILL INFLUENCE ROMANIA TO CHANGE ITS STANCE

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TOWARD ISRAEL.Y

TAROM IS THE ONLY COMMUNIST AIRLINE THAT SERVES TEL AVIV AS

WELL AS BEIRUT, CAIRO, AND ALGRIERS. IT OPERATES EIGHT FLIGHTS

A WEEK TO THE MIDDLE EAST, TOTALING APPROXIMATELY ONE SIXTH OF ITS

OVERALL INTERNATIONAL SERVICE. LOSS OF THE ROUTES TO ARAB COUNTRIES

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WILL NOT HAVE A SIGNIFICANT ECONOMIC IMPACT ON TAROM, HOWEVER, SINCE

ITS MOST LUCRATIVE ROUTES ARE THOSE TO WESTERN EUROPE.

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